

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00

EB-07 INR-05 NSAE-00 RSC-01 FAA-00 TRSE-00 IO-10

ACDA-05 SAJ-01 PM-03 H-01 L-02 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 /080 W  
----- 056317

R 131808Z DEC 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6824

USMISSION USBERLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY MOSCOW

C O N F I D E N T I A L BONN 19236

E. O. 11652: GDS

TAGS: EAIR, WB, GW, US, UK, FR

SUBJECT: BRITISH REQUEST FOR CONSULTATIONS ON BERLIN  
AIR

REF: A. STATE 259030; B. BERLIN 2228

1. IN A DECEMBER 13TH CONVERSATION WITH EMBASSY CAA, PAA DIRECTOR RUNNETTE ASKED WHAT THE PROSPECTS WERE FOR A JANUARY 6 IMPLEMENTATION OF THE PENDING FARE INCREASE APPLICATIONS. EMBASSY CAA REVIEWED ONCE AGAIN PRESENT SITUATION RE UK/US CONSULTATIONS FROM WHICH RUNNETTE INFERRED THAT THE POSSIBILITY OF INTRODUCING THE NEW FARES BY EARLY JANUARY WAS DIM AT BEST, EVEN IF THE WASHINGTON MEETING SHOULD RESULT IN A DECISION TO MOVE AHEAD WITH THE APPLICATIONS IN HAND. EMBASSY CAA ADDED THAT AN ADDITIONAL PRACTICAL PROBLEM EXISTED RE THE RECONCILIATION OF THE FARE CASES SINCE BA'S WAS BASED SOLELY ON INCREASED FUEL PRICES WHILE PAA'S CALCULATIONS COVERED ALL COST FACTORS. IN ANY EVENT, CONFIDENTIAL

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RUNNETTE SAID HE WOULD CONTACT PAA/US STRESSING HIS

VIEW THAT EVERY EFFORT SHOULD BE MADE TO MEET A  
JANUARY 6 IMPLEMENTATION DATE.

2. COMMENT: DIFFERING JUSTIFICATIONS FOR 7.9 FARE  
INCREASE COULD PRESENT A PROBLEM IN REACHING A MODUS  
OPERANDI WITH THE BRITISH. PAA'S CASE BASED AS IT IS  
ON 1975 PROJECTIONS FOR ALL COST ELEMENTS WOULD SUGGEST  
TO THE GERMANS THAT NO NEAR TERM ADDITIONAL FARE  
INCREASES WOULD BE JUSTIFIED UNLESS MARKET CONDITIONS  
ALTERED DRASTICALLY WITHIN THE NEXT SEVERAL MONTHS. BA,  
ON THE OTHER HAND, HAS LEFT THE DOOR OPEN TO ARGUE THAT  
THE 1975 FUEL BILL PLUS OTHER COST FACTORS WOULD  
WARRANT A GREATER FARE INCREASE (ITS CASE FOR A "FUEL  
SURCHARGE" IS BASED SOLELY ON UNCOVERED 1974 FUEL  
COSTS -- SEE BONN 19072). SINCE RUNNETTE SAID AIRLINE  
TALKS SCHEDULED FOR DECEMBER 18, 19 HAD BEEN CANCELLED  
IT IS DOUBTFUL BA AND PAA COULD WORK OUT A RAPID  
COMPROMISE ON THE APPLICATIONS, A NECESSARY STEP IF  
WE ARE TO PRESENT THE GERMANS WITH A COMBINED JUSTI-  
FICATION FOR THE PRESENT FARE INCREASE.  
HILLENBRAND

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR FARES, PRICE TRENDS, DIPLOMATIC DISCUSSIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 DEC 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**TAGS:** EAIR, WB, GE, US, UK, FR, PANAM, BRITISH AIRWAYS  
**To:** STATE  
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